

NYT 15 May 57

Bonn Plans to Sell Volkswagen Plant To German Public

By ARTHUR J. OLSEN

Special to The New York Times

BONN, Germany, May 14—

Dr. Ludwig Erhard, Minister of Economy, announced today that the \$250,000,000 Volkswagen automobile concern would be sold by government to thousands of small shareholders.

The plan was announced at the Christian Democratic Union congress in Hamburg as the first fruit of the new phase in the development of the party's middle-of-the-road "social market" economy. The Christian Democratic goal is to achieve a "broader ownership of the means of production" in West Germany, Dr. Erhard said in a speech at the party congress.

This is the Christian Democratic answer to the "reactionary" Socialist policy of state ownership or control of industry, the Economics Minister remarked.

Other Plants to be Sold

Dr. Erhard said the Volkswagen company sale would set a pattern for the disposal of other industrial properties now owned by the Federal Government. These enterprises, estimated to be worth several billion Deutsche marks (a Deutsche mark is worth 21.91 cents), including the big Howaldt shipyard near Hamburg and one of West Germany's biggest steel mills at Salzgitter.

The Volkswagen works will be removed from Government trusteeship by issuance of "people's shares," each valued at 50 Deutsche marks or about \$12. These may be purchased only by individuals and in limited amounts.

There will be legal safeguards against efforts of big financial groups to buy up large quantities of shares to seize control of

Continued on Page 5, Column 5

BONN WILL SELL MOTOR CONCERN

Continued From Page 1

the booming automobile company.

Christian Democratic sources said that 20 per cent of the shares would be reserved for individuals with a yearly income not exceeding 9,000 Deutsche marks. In addition 10 per cent will be sold only to individuals making less than 15,000 marks a year.

Party Policy Explained

Karl Arnold, spokesman of the Christian Democratic left wing, said:

"The state must help its propertyless citizens to become persons of property. The worker should no longer be simply a consumer but have the chance as well, as a property owner, to feel responsible for his own destiny and the future of his family."

The governing coalition of Chancellor Konrad Adenauer has enough votes in parliament to put through the necessary legislation for the sale of the Government-owned industries. It faces legal and practical obstacles, however, in the complicated Volkswagen case.

The enterprise was built up during Nineteen Thirties by the Nazi Labor Federation, which has no legal successor. The com-

pany is now held in trusteeship by the Federal Government and the state of Lower Saxony but the legal title is not clear.

Moreover, many thousands of German taxpayers who made payments in advance for one of Hitler's "people's cars" but never received one are now demanding delivery.

The Volkswagen company produced 400,000 automobiles last year, with gross sales of nearly \$500,000,000.